CHAPTER 6
LARGE RESIDENTIAL LOTS

1. STUDY AREA

Within the area, south of Magnolia Avenue and west of Van Buren Boulevard, are pockets of large lots that are remnants of Arlington's early rural beginnings. These lots were created for subsistence farming. Today, some are still used for agricultural purposes, but many, are simply open expanses of unused land, with occasional derelict cars, accumulations of discards and/or stored materials. The Planning Department has studied this overall area and has identified six locations where large lots predominate (Figure 38). While there are many "oversized" lots in Arlington, the staff limited its analysis to groups of six or more lots with at least 250 feet of depth. At this depth, it would theoretically be possible to introduce a street system and create new lots reasonably close to the City's R-1-65 zoning standards. All of the properties in the six large lot areas are zoned R-1-65 and shown on the General Plan for Medium Density Residential land use. The R-1-65 zone allows development on lots as small as 7,000 square feet, with a minimum width of 60 feet and a minimum depth of 100 feet. The Medium Density Residential General Plan designation calls for housing at a typical density of four dwelling units per acre and a maximum range of up to 6.5 dwelling units per acre. The following are the large lot subareas identified by staff:

- SUBAREA 1: 18.1 acres, flanked by Everest Avenue, Andrew Street and Donald Avenue.
- SUBAREA 2: 4.0 acres, on the southwest side of Everest Avenue, northwesterly of Andrew Street.
- SUBAREA 3: 12.4 acres, flanked by Primrose Drive, Myers Street and the Riverside Freeway.
- SUBAREA 4: 5.0 acres, between Myers Street and Muir Avenue, northwesterly of Primrose Drive.
- SUBAREA 5: 16.23 acres, bordered by Harrison Street, Primrose Drive and Muir Avenue. Much of this land is now occupied by Doi's farming operations.
- SUBAREA 6: 6.47 acres, situated between Primrose Drive, Harrison Street and Belmont Drive.

2. ISSUES

The Existing Conditions and Issues report identified several issues related to large lots. The following is a summary of these issues.

a. ***Negative Aspects of Large/Deep Lots:*** If not managed carefully, large lots can be unattractive because of junk storage, unkept structures and weeds. Additionally, the

FIGURE 38
LARGE LOT AREAS

inefficient subdivision of land means that opportunities to provide new residential uses in the area are being constrained.

b. ***Obstacles to Consolidation:*** Consolidating lots to assemble an economically viable unit for development is a major obstacle. A developer would have to secure the cooperation of several land owners and deal with the complexities of intruding on established, residential properties.

c. ***Density:*** Higher densities are not generally favored in the community, yet density is often one way of improving a project's feasibility. It will be important to arrive at design guidelines that provide sufficient density for economic feasibility, while also providing for a development type acceptable to the community.

3. THE LARGE LOT DILEMMA

Large lots are part of the romance and roots of Arlington. Arlington was born as a farming community and remnants of that past can be seen in many areas of the community. Large lots are a part of that heritage. The "down-side" of large lots is that when people have more property than they can manage, it can result in poor maintenance, weeds, and accumulations of various sorts of materials and debris. Large lots, however, are not necessarily automatically characterized by these maladies. In some communities, large lots are viewed as an asset that raises real estate values and adds to the attractive quality of the neighborhood. In these "gentleman farmer" communities, large lots are valued. While Arlington is not an "estate" type of community, the staff believes many of the people who have chosen large lot properties enjoy the space and want the lifestyle that goes with it. Although some large lots in Arlington are actively used for "gentleman farmer" types of purposes, many are not. Among those that are inactive, most are reasonably well maintained, while others have outdoor storage, junk and weeds.

The question for Arlington is whether it wants to preserve its heritage of large lots, encouraging their use and maintenance for viable purposes, or whether it wants to intensify the use of these properties with additional houses. If additional houses are to be inserted, consideration might be given to establishing some design guidelines to assure the basic character of Arlington is maintained. This could include such things as the building siting, garage orientation, street widths, and the scale and massing of the buildings.

4. PRACTICAL PROBLEMS

There are three basic obstacles to consolidating ownerships and resubdividing land:

- **Multiple Ownerships**: Although Arlington's large lot areas have an abundance of land that could be resubdivided, there are also multiple ownerships separating each segment of land. Resubdividing this land would require the cooperation of all of the property owners. As little as one "hold out" could thwart a resubdivision. Allowing development with "flag lots," on the other hand, would not require a high level of cooperation. Flag lots would typically only require the cooperation of two adjoining property owners.

- **Position of structures**: Where rear yards are open and unincumbered by structures, they could support additional development. In some cases, however, the main dwelling is situated toward the rear of the property. And in many instances, there are accessory buildings or guest houses in these rear yard areas. Resubdividing this land, especially with conventional infill subdivisions, would necessitate moving or demolishing many of these structures.
- **Cost of Development**: Developing property is expensive. In addition to the government fees for such things as processing and recording a map, installing public improvements, obtaining building permits and paying school fees, there are the substantial costs of constructing a dwelling, including financing, labor, and materials. Cost is addressed later in this chapter.

5. INFILL OPTIONS AND PREFERENCES

For the most part, infill development in Arlington's residential neighborhoods has been in the form of apartments, planned residential developments, senior citizen projects and duplexes. Very little new single family development has occurred. Yet, the Citizen Advisory Committee has indicated it prefers single family homes to higher density housing. For the most part, Arlington's large lot areas are all zoned and planned for medium-density residential. This usually translates into single family homes, but planned residential developments (PRDs can occur at somewhat higher densities on properties zoned for single family use. In the R-1-65 zone a PRD with up to 7.3 dwelling units per acre could be constructed without variances.

There are two other ways to do an infill development, but neither would provide new *ownership* housing. First, under a Minor Conditional Use Permit a property owner can construct a "Granny Flat" for up to two elderly persons, age 60 or over (Chapter 19.07.030 [14] of the Zoning Code). These units are usually separate single family homes, no larger than half the size of the main house. They may contain no more than one bath and two bedrooms. The legal owner of the property must live in the main house. Another means is provided in Chapter 19.10.020 (15) of the Zoning Code. On properties that are 160 feet deep and 15,000 square feet in size, additional houses can be built, up to one dwelling per 7,500 square feet. This section can only be used where there are *no other options for subdividing the property.* Other requirements also apply. Permission to develop an additional dwelling is by conditional use permit. In neither of the above two options can the additional dwellings be separated from the parent property by subdivision.

6. ALTERNATIVES FOR THE LARGE LOT AREAS

The staff studied each the identified large lot areas and developed design concepts showing how they might be further developed. The staff developed alternatives that show how the land could both be developed with infill single family homes having direct frontage on a new local street system, ("conventional single family development") and how infill homes could be done by running driveways back to the rears of existing large lots, ("flag lot development"). The essential lesson to be learned from each design approach can be absorbed from the examples illustrated in Figures 39, 40, and 41 referenced in the following paragraphs. The following is a description of the alternative approaches to infill development in Arlington's large lot areas.

a. Alternative 1: Maintenance of Status-Quo (Neighborhood Stabilization)

Arlington's large lot neighborhoods have a rural charm that is reminiscent of rural America. For various reasons, perhaps including the lack of a viable use for the extra land and the age of some of the houses, as some of the properties are in a deteriorated condition. Adding more density could worsen conditions if it increased absentee ownership.

This alternative calls for leaving densities as they are and addressing existing pockets of decline through clean-up-fix-up programs, low interest loans, grants, and code enforcement. If this proved successful, it would even be possible to place these areas in a restricted zoning category with a larger than average minimum lot size. Doing this could have a stabilizing effect by reducing speculative ownership for the purpose of future subdivision.

Under this alternative, it would still be possible to add houses, using the Granny Flat and deep lot provisions of the Zoning Code. These would allow owners to make greater use of their properties.

b. Alternative 2: Conventional Single Family Subdivision

Conventional single family subdivisions could be incorporated into the large lot areas by running a street system down common rear property lines. Under this concept, the vacant rear portions of existing lots would be combined and resubdivided into new lots served off a new street system. While, this is easily the best "design" solution, it is the most problematic of the alternatives, as it would require a great deal of cooperation by a large number of property owners. The minimum acceptable project size would tend to be dictated by economies of scale and the need to create a logical unit of development. Using these criteria, the staff determined four acres would be the minimum practical project size. Generally, the street system of a conventional infill subdivision would have to be somewhat "substandard" in width, probably about 50 feet of right-of-way, versus the current 66 foot City standard. This would be in character with Arlington's existing streets, however, which are typically 50 to 60 feet wide. Figure 39 shows an example of how a large lot area could be resubdivided into more-or-less conventional lots. This concept would apply to other large lot areas in a similar fashion.

Another way to achieve a conventional subdivision would be to remove all or a portion of the existing residences and do a complete resubdivision of the land. This would be problematic, however, because of the expense and uncertainty of assembling enough land in one area to do such a development. Another problem would be the loss of the dwellings that are an important part of the existing character of Arlington. This approach is usually not economically feasible unless a significant density increase can be realized. Several apartment and planned residential development projects have been done on this basis in Arlington. Figure 40 shows a planned residential development built in Arlington by assembling and redividing several lots. PRD's have been constructed in other areas of Arlington in a similar fashion.

FIGURE 39
CONVENTIONAL SUBDIVISION

FIGURE 40
EXAMPLE OF PLANNED RESIDENTIAL DEVELOPMENT

c. Alternative 3: Flag Lots

A flag lot solution would be the easiest to carry out. A "flag lot" is a lot behind a lot, with access provided through a "panhandle" driveway. This type of development could occur with as little as one property owner, or it could involve two adjacent property owners. If one property owner had enough land to provide a driveway to the rear of his or her lot, one lot could be divided into two lots. Two adjacent property owners could also cooperate, with each property owner providing a portion of the land needed for a driveway to create a lot behind both owners' properties.

To accomplish either approach, variances would be necessary from the zoning code's street frontage requirements. It would be important that any new residence be developed with adequate setbacks from all property lines. While there would be reduced street improvement costs, utility extensions could be more expensive, due to the distance from the street to the house. Figure 41 shows how flag lots could be applied with the cooperation of two property owners.

In general, the staff does not consider flag lots a very desirable form of development. When homes are situated one behind the other, it is more difficult to provide police patrol, fire protection and other public services. Access for others is a problem as well, especially for those not familiar with the arrangement of homes, as the rearmost home is not visible to the street. These types of houses also tend to be less marketable as owner occupied dwellings. It is for these and other reasons the staff believes the reduced density that would result from two property owners cooperating in the creation of one lot would be the better approach.

7. ECONOMICS OF LARGE LOT INFILL DEVELOPMENT

To gain a better understanding of the feasibility of infill development in large lot areas, the City hired real estate economist Douglas Ford to examine the development costs and market for infill homes. Two scenarios are examined. One is a flag lot scenario and the other is an infill subdivision. Both scenarios are for *ownership housing*. Economic analyses were not done for Granny Flats or non-ownership deep lot infill housing as allowed by the zoning code. The following is a description and analysis of the economic feasibility of the two ownership infill scenarios.

a. Development Scenarios

The development scenarios examined for feasibility are as follows:

Scenario One, Flag Lot: Development prototype is a 1,500 square foot, 3-bedroom, 2-bath home on a large, 14,000 square foot lot. The lot is formed from the rear portions of two adjacent, excess-depth lots. Access is provided by a driveway extending between the two

FIGURE 41
FLAG LOT DEVELOPMENT

original lots.

Scenario Two, Infill Subdivision: This development is a 19-lot subdivision containing 7,200 square foot lots, served by a new local street. The 19 units are a mix of five, 1,200 square foot (3-bedroom, 2-bath) homes, nine 1,500 square foot (3-bedroom, 2-bath) homes, and five 1,800 square foot (4-bedroom, 2.5-bath) homes.

b. Methodology

The consultant examined feasibility of the two scenarios by first making determinations of achievable dwelling unit sales prices and then deducting the estimated development costs. The result, a calculation of residual land value, represents the land price supportable or feasible under the development assumptions used. Negative, or very low residual land values indicate infeasible projects. The ability of a scenario to support a land price equal to or greater than the cost of acquisition is the test of feasibility. The residual land value calculations for both scenarios are shown in Table 18.

c. Sales Prices

The economist determined, through discussions with real estate professionals, that a land price of about $1.50 per square foot is supportable in the current market. Sale prices for the scenario homes were derived by examining sales prices of new home subdivisions in the Riverside area. The sales price for the flag lot home was determined to be $127,500 per home, or about $85 per square foot. The sales price for the infill subdivision home was determined to be $120,000, or about $80 per square foot. The higher price for the flag lot home was based upon the larger 14,000 square foot lot size. The pricing for the infill subdivision is an average of the three unit types - 1,200 square feet @ $85; 1,500 square feet @ $80; and 1,800 square feet @ $75.

d. Development Costs

Table 18 includes a breakdown of the development costs for each scenario. The following items are included in this analysis:

Site Improvements: These costs include grading, demolition, utility services, driveway, and limited fencing and landscaping.
Direct Construction: Includes standard, entry-level quality of construction and finish, with air conditioning and contractor's profit.
Financing: Includes costs of land and construction financing and mortgage placement.
Soft Costs: Includes costs of marketing, closing, warranty, and job overhead.
Fees: Includes processing fees, impact fees, and certain offsite infrastructure costs. Fees for the flag lot were estimated at $35,229. The infill subdivision fees totaled $20,540 per home. The economists found that the fees for the infill subdivision are about the same as the fees of other communities. The flag lot fees, however, were found to be significantly higher than typical of this sort of development. The following is a comparison summary of costs:

TABLE 18

	Development	**Development Plus Fees**
Flag Lot:	$66.17/square foot	$89.65/square foot
Infill Subdivision:	$66.50/square foot	$80.19/square foot

e. Feasibility Results

Table 18 indicates the development scenarios are *not* feasible at this time. The residual land prices are -$6,979 for the flag lot scenario and -$290 for the infill subdivision. The overall feasibility shortfall is primarily the result of a depressed market in this area. Housing prices are about 25% below prices typical in 1990. While 1990 prices may have been artificially high, current prices are below actual production costs in many cases.

The economists found that the fees for the flat lot alternative are an additional problem. The level of flag lot fees accounts for virtually all of the negative residual land price shown in Table 18. The largest element in higher fees for the flag lot is electric fees - $17,000 compared to $3,263 per unit for the infill subdivision. This difference accounts for almost $14,000 of cost difference. The economists further found that Public Works and Planning fees for parcel map processing are significant and a disincentive for flag lot development.

f. Modified Approach

The proposed scenarios could be made *economically* feasible by a combination of a modest *increase* in market price coupled with a modest *decrease* in fees. Table 19 shows the results of these modifications. An increase in market prices of 10% is reasonable in the foreseeable future and forms the "market" portion of the modified scenario. The reduction in city fees is detailed in Table 19. If the assumptions of this table come to fruition, it indicates the long term viability of profitable infill development.

The profitability of infill development is based upon purely economic considerations, however. There still remains the *practical obstacle* of assembling land for resubdivision. The flag lot concept only requires the cooperation of two adjoining property owners and is more practically feasible. The infill subdivision requires the cooperation of multiple property owners and would be unlikely to occur without a corporate entity interested willing to assume the task of property acquisition or government acquisition of property. The first alternative is not likely to occur without considerable profit incentive. The latter alternative is unlikely to occur under present redevelopment policies and realities.

8. OCCUPANCY CHARACTERISTICS

To gain a better understanding of factors that might affect the stability of Arlington's large lot areas, the staff looked at the absentee ownership and age characteristics of these areas. Generally, single family residential neighborhoods are more stable when owner occupancy is high. Above average percentages of absentee ownerships can contribute to the decline of an area. Population age, while

TABLE 19

not an indicator of decline, is an indicator of potential transition. An older population would predict the likely transition of an area as people die or move to retirement quarters. Homes may be sold, rented or inherited by family. Whether these changes result in decline or improvement, cannot be predicted. It is clear, however, that an aging population is a precursor to change.

The following table summarizes the characteristics of each area and the overall character of all areas combined. Ownership data was taken from current assessor records and is, therefore, up-to-date. Data for age and household size, on the other hand, were taken from 1990 U.S. Census block data. This data is limited in two ways. One, it is six years old and therefore does not necessarily reflect existing conditions in a detailed sense. Second, the blocks that form the boundaries for the data are not the same as the boundaries of the large lot areas. In all cases, the block data is for larger areas than the size of the large lot areas themselves. That said, staff still believes the data is reasonably representative of the characteristics of Arlington's large lot areas.

TABLE 20: OWNERSHIP AND POPULATION DATA

Population Characteristic	Large Lot Areas	City Wide
Absentee Owned:	27.5%	19.0%
Age 18 & Under:	25.5%	30.7%
Age 65 & Older:	11.0%	9.0%

a. Absentee Ownership

The absentee figures for Arlington's large lot areas are high compared to the citywide average of 19 percent single family renter occupied units. Overall, absentee ownership is 27 percent among all the large lot areas. Area 2 has the highest absentee ownership at 55.5 percent. This area, which has the largest lots of all the areas, is probably being held by owners intending to subdivide the land at a future date. Area 3 has the next highest absentee ownership at 37.5 percent. Areas 4, 5, and 6 are also above the city average at 25.0, 23.5 and 22.2 percent respectively. Only Area 1 is close to the city average, at 20.5 percent. While not a part of the above table, a cursory review of the assessor records reveals many of the absentee owned properties have changed owners or ownership status within the past 15 years. This high level of absentee ownership and a large amount of recent turnover reflect an area in transition.

b. Population Characteristics

Overall, Arlington's large lot areas have fewer younger residents and more older residents than the citywide averages. The 1990 census shows 30.7 percent of Riverside's population to be age 18 and under, whereas in the large lot areas only 25.5 percent of the population was under 18 at that time. Persons 65 or older constituted 9 percent of the population citywide, whereas in the large lot areas the 1990 census showed 11 percent to be in that age category. Within individual large lot areas, the figures vary widely. As might be expected, the areas

with the highest numbers of older people also have the lowest numbers of younger people. Area 1 had the oldest population in 1990 with 20.3 percent age 65 and older and 24.3 percent 18 and younger. Area 6 was second oldest, with 16.3 percent age 65 and older and 25.5 percent age 18 and younger. Areas 4 and 5 had the youngest populations with 32.1 and 35.3 percent age 18 and younger and only 4.2 and 7.8 percent age 65 and older. Areas 2 and 3 were somewhat older than the citywide population, with 12.2 and 12.9 percent age 65 and older, and 27.5 and 25.2 percent age 18 and younger.

Clearly, some of the large lot areas are either in the process of transition, or can be expected to enter this process in the near future. Area 1 with its older population will probably be entering a period of property sales and transfers. Areas 4 and 5, with their higher percentages of younger residents and very low percentages of older residents, have probably gone through a transition recently.

9. CONCLUSION

There is, indeed, a considerable amount of land in Arlington's large lot areas that could be further developed. Most of it is marginally accessible and divided into so many increments that there are significant obstacles to any further development.

Arlington's large lot areas are also areas of above average absentee ownership. Age characteristics show that at least three of the large lot areas are either about to, or have recently gone through a transition from an older to a younger population. These ownership and population characteristics would suggest areas of weakening roots and changing population. These conclusions are further supported by physical evidence of decline in property maintenance.

Assuming PRD's are to be avoided, conventional single family development is the only other way to add density to Arlington. The alternative of doing conventional infill subdivisions would be the best form of infill, but it is very impractical, and would be difficult to achieve on a large scale. The potential for land to be cleared and redeveloped is dependent upon market forces sufficient to make the cost and complications of incremental purchases, demolitions, and redevelopment worth it in terms of return on the dollar. Single family development on conventional lots may not provide the return necessary to attract investors. Increased density might overcome this obstacle, however, the impression from the Community is that this sort of development is not favored. Government-sponsored redevelopment is unlikely to occur since a redevelopment area consisting of many single family homes would not be cost effective.

Flag lots offer a more feasible opportunity for further development, however, there are disadvantages to this form of infill. A home on a flag lot will not tend to be as attractive to an owner-buyer as it is an odd form of development and would not likely compete well with conventional homes having street frontage. Also, in an area which already has an above average percentage of absentee ownership, sanctioning flag lot development could encourage more investor-owners to build additional units as rentals.

The least problematic alternative would be to concentrate on stabilizing and improving Arlington's large lot areas and to defer, perhaps indefinitely, the large-scale addition of density for new homes. If it is the community's desire, it could remain a large lot area well into the future. Or, it could be

allowed to transition to smaller lot single family at such time as economics would allow the redevelopment of the land.

10. RECOMMENDATIONS

The staff recommends Arlington accept its large lot areas as part of its heritage and concentrate on stabilizing these neighborhoods rather than looking for ways to add density. To accomplish this we recommend:

a. Request the Development Department and Code Compliance Division to survey Arlington's residential areas, including its large lot areas, and target residences showing signs of decline for property maintenance programs.

b. Explore the possible funding of a targeted home improvement program for Arlington, using "20% set aside" funds or other sources of funding.

c. Explore the establishment of an infill single family home incentive program that would include reduced city fees, less stringent development standards, and other means to reduce the obstacles to infill development.

d. Reexamine the fee structure for small scale infill development.